



# House of Representatives

General Assembly

**File No. 484**

February Session, 2006

Substitute House Bill No. 5606

*House of Representatives, April 11, 2006*

The Committee on Finance, Revenue and Bonding reported through REP. STAPLES of the 96th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT EXEMPTING SALES OF MEALS AT HONOR BOXES FROM THE SALES TAX.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (27) of section 12-412 of the 2006 supplement  
2 to the general statutes is repealed and the following is substituted in  
3 lieu thereof (*Effective October 1, 2006, and applicable to sales occurring on*  
4 *or after October 1, 2006*):

5 (27) (A) Sales of any items for fifty cents or less from vending  
6 machines or from unattended honor boxes; or (B) sales of food  
7 products, as defined in subsection (13) of this section, sold through  
8 coin-operated vending machines or at unattended honor boxes.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2006, and applicable to sales occurring on or after October 1, 2006</i>	12-412(27)
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**FIN**      *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note****State Impact:**

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
Department of Revenue Services	GF - Revenue Loss	\$30,000 - \$70,000	\$50,000 - \$100,000

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill provides a Sales Tax exemption for sales of unattended candy that costs \$0.50 or less and sold on the "honor box" system after 10/1/06. This will result in an estimated General Fund revenue loss from the Sales Tax of between \$30,000 and \$70,000 in FY 06 (partial year) and between \$50,000 and \$100,000 in FY 07 and subsequent years.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

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**OLR BILL ANALYSIS**

**sHB 5606**

***AN ACT EXEMPTING SALES OF MEALS AT HONOR BOXES  
FROM THE SALES TAX.***

**SUMMARY:**

The bill extends the sales tax exemptions that apply to certain items when sold from vending machines also to cover those items when sold from unattended honor boxes. The exempt items are (1) anything costing 50¢ or less and (2) food products, such as milk, coffee, or fruit, regardless of cost.

The bill does not define an “honor box,” but it is typically an unattended box where customers deposit money for items they buy.

EFFECTIVE DATE: October 1, 2006 and applicable to sales on or after that date.

**COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 47 Nay 0 (03/28/2006)